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(Original Signature of Member)

107TH CONGRESS
2^D SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. MARKEY introduced the following bill; which was referred to the
Committee on _____

A BILL

To allocate spectrum for the enhancement of wireless telecommunications, and to invest wireless spectrum auction proceeds for the military preparedness and educational preparedness of the United States for the digital era, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Wireless Technology
5 Investment and Digital Dividends Act of 2002”.



1 **SEC. 2. FINDINGS.**

2 The Congress finds the following:

3 (1) The United States stands to benefit in the
4 global economy by reallocating additional airwave as-
5 sets to the private sector for innovative wireless serv-
6 ices.

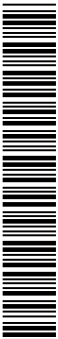
7 (2) Congress previously mandated reallocation
8 of over 200 megahertz of frequency spectrum from
9 Government use to the Federal Communications
10 Commission for private sector licensing.

11 (3) This previous reallocation spurred deploy-
12 ment of new digital wireless services, Government
13 action that helped to lower prices, create jobs, and
14 increase consumer choice.

15 (4) Similarly, the public interest would be
16 served by reallocating additional portions of the
17 public's airwaves for use by the private sector for
18 advanced wireless services.

19 (5) A continuation of our competition-based
20 spectrum policy can promote innovation, create jobs,
21 lower prices, and increase consumer choice in the
22 marketplace.

23 (6) Determining which specific frequencies to
24 reallocate must be done in a manner that reflects an
25 appropriate balance between the needs of current



1 users and the legitimate requirements of the private
2 sector for introducing new services.

3 (7) Spectrum auctions will reap revenue that
4 can be used to compensate incumbent users, includ-
5 ing the military, for relocation costs.

6 (8) Auction proceeds can additionally be utilized
7 to foster the use of educational technology, promote
8 deployment of public telecommunications infrastruc-
9 ture, and establish a self-sustaining fund for grants
10 to address the digital divide.

11 (9) While more and more Americans are uti-
12 lizing electronic tools in every aspect of their lives,
13 a digital divide still remains in many areas of our
14 country between rich and poor, and between urban
15 and many rural areas.

16 (10) Utilizing spectrum auction proceeds to en-
17 hance the use of educational technology and to in-
18 crease public access to advanced telecommunications
19 underscores our commitment to ensuring that our
20 citizens obtain the skill set necessary to compete for
21 jobs in the new economy.

22 (11) Educational preparedness will be critical if
23 the United States is to have a technologically savvy
24 workforce to fuel growth of our high tech economy
25 in the global marketplace.



1 (12) The creation of a self-sustaining mecha-
2 nism to make available annual funding for needed
3 public access and educational technology grants is
4 an appropriate use of revenue generated from cor-
5 porate use of the public's airwaves.

6 (13) A policy that promotes investment in wire-
7 less technology along with a concomitant investment
8 in the human resources of our Nation is in the na-
9 tional economic interest of the United States.

10 **TITLE I—TELECOMMUNI-**
11 **CATIONS INFRASTRUCTURE**
12 **DEVELOPMENT AND CITIZEN**
13 **EMPOWERMENT**

14 **SEC. 101. DIGITAL DIVIDENDS TRUST FUND.**

15 Title III of the Communications Act of 1934 is
16 amended by inserting after section 309 (47 U.S.C. 309)
17 the following new section:

18 **“SEC. 309A. DIGITAL DIVIDENDS TRUST FUND.**

19 “(a) ESTABLISHMENT.—

20 “(1) FUND ESTABLISHED.—There is hereby es-
21 tablished in the Treasury of the United States the
22 Digital Dividends Trust Fund (hereinafter in this
23 section referred to as the ‘Fund’).



1 “(2) DEPOSITS.—The corpus of the Fund shall
2 be the amounts deposited into the Fund pursuant to
3 section 309(j)(8)(D)(ii).

4 “(b) BOARD OF TRUSTEES.—The Fund shall be ad-
5 ministered under the direction of a board of directors
6 (hereinafter in this section referred to as ‘the board’) com-
7 prised of—

8 “(1) the Assistant Secretary for Communica-
9 tions and Information of the Department of Com-
10 merce; and

11 “(2) 6 additional members, appointed by the
12 President, with experience in one or more of the fol-
13 lowing fields: investment management; corporate fi-
14 nance; computer software; telecommunications; and
15 education and cultural heritage.

16 “(c) ADMINISTRATION; PRESERVATION OF PRIN-
17 CIPAL.—All deposits described in subsection (a)(2) shall
18 be invested in a manner that the board finds prudent and
19 reasonable and that is designed to ensure that annual in-
20 come is sufficient to cover the uses specified in subsection
21 (d) and the other expected costs of carrying out the pur-
22 poses of this section. Such deposits shall not be expended
23 for the support of any of the purposes authorized by sub-
24 section (d).



1 “(d) USE OF INCOME.—Income to the fund shall be
2 allocated by the Board as follows:

3 “(1) HUMAN CAPITAL TELECOMMUNICATIONS
4 INVESTMENTS.—Not to exceed 65 percent of the in-
5 come for any fiscal year to the human capital tele-
6 communications investment program under section
7 106 of the National Telecommunications and Infor-
8 mation Administration Organization Act.

9 “(2) BROADBAND INFRASTRUCTURE INVEST-
10 MENTS FOR PUBLIC ACCESS AND RURAL DEVELOP-
11 MENT.—Not to exceed 65 percent of the income for
12 any fiscal year to the Public Broadband Infrastruc-
13 ture Investments Program under section 107 of the
14 National Telecommunications and Information Ad-
15 ministration Organization Act.”.

16 **SEC. 102. HUMAN CAPITAL TELECOMMUNICATIONS INVEST-**
17 **MENTS.**

18 Part A of the National Telecommunications and In-
19 formation Administration Organization Act (47 U.S.C.
20 901 et seq.) is amended by adding at the end the following
21 new section:

22 **“SEC. 106. HUMAN CAPITAL TELECOMMUNICATIONS IN-**
23 **VESTMENTS.**

24 “(a) GRANT PROGRAM AUTHORIZED.—From the
25 funds available under section 309A(c)(1) of the Commu-



1 nications Act of 1934, the Secretary shall carry out a
2 Human Capital Telecommunications Investment Program
3 in accordance with the requirements of this section.

4 “(b) USE OF GRANT FUNDS.—Funds made available
5 by a grant under this section may be used for—

6 “(1) training for teachers and other educational
7 personnel at schools and libraries eligible for services
8 or assistance under section 254;

9 “(2) research and development for sophisti-
10 cated, content-related educational software and pro-
11 gramming designed to enhance learning in elemen-
12 tary, secondary, and postsecondary education and to
13 enable schools, libraries, and museums to reach out-
14 side their walls and into homes, other schools, and
15 workplaces;

16 “(3) digitizing educational materials held in our
17 Nation’s libraries, archives, and museums and other
18 institutions of learning;

19 “(4) technology projects supported by volun-
20 teers enrolled in the AmeriCorps and designated by
21 the Corporation for National Service;

22 “(5) projects enhancing the access of individ-
23 uals with disabilities to advanced telecommunications
24 services;



1 “(6) projects for retraining workers and unem-
2 ployed individuals with skills applicable to the new
3 economy; and

4 “(7) projects for after school programs for
5 youth focused on computer literacy and interaction.

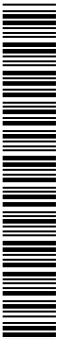
6 “(c) ELIGIBLE APPLICANTS.—The following organi-
7 zations and agencies shall be eligible to apply for funds
8 under this section:

9 “(1) an elementary, secondary, or postsec-
10 ondary educational institution;

11 “(2) a nonprofit agency or organization that is
12 exempt from income taxes under section 501(c)(3)
13 of the Internal Revenue Code of 1986; or

14 “(3) an agency or instrumentality of a State or
15 local government of the United States (including an
16 agency or instrumentality of a territory or posses-
17 sion of the United States).

18 “(d) APPLICATION.—Any organization or entity seek-
19 ing a grant under this section shall submit to the Sec-
20 retary an application at such time, in such manner, and
21 containing or accompanied by such information and assur-
22 ances as the Secretary may require by regulation.”.



1 **SEC. 103. PUBLIC BROADBAND INFRASTRUCTURE INVEST-**
2 **MENTS.**

3 Part A of the National Telecommunications and In-
4 formation Administration Organization Act is amended by
5 adding after section 106 (as added by section 102 of this
6 Act) the following new section:

7 **“SEC. 107. PUBLIC BROADBAND INFRASTRUCTURE INVEST-**
8 **MENTS PROGRAM.**

9 “(a) GRANT PROGRAM AUTHORIZED.—From the
10 funds available under section 309A(c)(2) of the Commu-
11 nications Act of 1934, the Secretary shall carry out a Pub-
12 lic Broadband Infrastructure Investments Program in ac-
13 cordance with the requirements of this section.

14 “(b) USE OF GRANT FUNDS.—

15 “(1) PERMITTED USES.—Funds made available
16 by a grant under this section may be used for—

17 “(A) local and regional initiatives that ex-
18 pand public access to advanced telecommuni-
19 cations and information services at locations
20 that are accessible to the general public;

21 “(B) deployment of broadband tele-
22 communications services in unserved rural
23 areas; and

24 “(C) deployment of broadband tele-
25 communications services to low-income housing
26 and community centers.



1 “(2) REQUIRED USES.—Not to exceed
2 \$300,000,000 from the funds available under section
3 309A(c)(2) of the Communications Act of 1934 for
4 each of the first 5 fiscal years shall be made avail-
5 able by grant for the purpose of converting public
6 broadcasting facilities to digital technology through
7 the public telecommunications facilities program
8 under section 392 of the Communications Act of
9 1934.

10 “(c) ELIGIBLE APPLICANTS.—The following organi-
11 zations and agencies shall be eligible to apply for funds
12 under this subsection (b)(1):

13 “(1) a nonprofit agency or organization that is
14 exempt from income taxes under section 501(c)(3)
15 of the Internal Revenue Code of 1986; or

16 “(2) an agency or instrumentality of a State or
17 local government of the United States (including an
18 agency or instrumentality of a territory or posses-
19 sion of the United States).

20 “(d) APPLICATION.—Any organization or entity seek-
21 ing a grant under this section shall submit to the Sec-
22 retary an application at such time, in such manner, and
23 containing or accompanied by such information and assur-
24 ances as the Secretary may require by regulation.”.



1 **TITLE II—AVAILABILITY OF**
2 **SPECTRUM FOR ADVANCED**
3 **COMMERCIAL MOBILE SERV-**
4 **ICES**

5 **SEC. 201. AVAILABILITY OF SPECTRUM FOR ADVANCED**
6 **COMMERCIAL MOBILE SERVICES.**

7 (a) IDENTIFICATION.—Section 113 of the National
8 Telecommunications and Information Administration Or-
9 ganization Act (47 U.S.C. 923) is amended by adding at
10 the end thereof the following new subsection:

11 “(j) DESIGNATION OF SPECTRUM FOR ADVANCED
12 COMMERCIAL MOBILE SERVICES; RELOCATION PLAN.—

13 “(1) PLAN REQUIRED.—The Secretary shall,
14 not later than January 1, 2003, prepare, make pub-
15 licly available, and submit to the President, the Con-
16 gress, and the Commission a report that—

17 “(A) designates bands of frequencies for
18 reallocation for the provision of advanced com-
19 mercial mobile services;

20 “(B) in consultation with the Commission,
21 establishes a plan for the relocation or modi-
22 fication of Federal Government stations cur-
23 rently occupying the band of frequencies located
24 at 1,710–1,850 megahertz, including a descrip-
25 tion of the phases by which such relocation or



1 modification shall be accomplished consistent
2 with the public interest; and

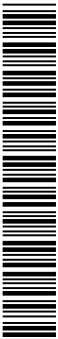
3 “(C) designates a 20-megahertz band of
4 contiguous frequencies located below 2
5 gigahertz, and a band of between 3 and 500
6 megahertz of contiguous frequencies above 2
7 gigahertz and below 6 gigahertz, for realloca-
8 tion to the public for unlicensed use.

9 “(2) DEADLINES.—

10 “(A) MINIMUM FOR 2005.—Notwith-
11 standing any other provision of law, such plan
12 shall ensure that not less than 30, but not more
13 than 45, megahertz of paired spectrum is avail-
14 able and usable for advanced commercial mobile
15 services by December 31, 2005.

16 “(B) MINIMUM FOR 2008.—Notwith-
17 standing any other provision of law, such plan
18 shall ensure that an additional 50 megahertz of
19 paired spectrum is made available and usable
20 for advanced commercial mobile services by De-
21 cember 31, 2008.

22 “(C) POTENTIAL ADDITIONAL SPECTRUM
23 FOR TIMELY REALLOCATION.—Notwithstanding
24 any other provision of law, the Commission
25 shall ensure that any rules necessary to effec-



1 tuate the timely transition to digital television
2 are promulgated and completed by the Commis-
3 sion prior to making available the bands of fre-
4 quencies at 747–762 and 777–792 megahertz
5 for advanced commercial mobile services or
6 other competitive wireless services. The Com-
7 mission shall ensure that any plan to achieve
8 the clearance of such frequencies shall not re-
9 sult in the unjust enrichment of any incumbent
10 licensee.

11 “(D) DEFINITION.—For the purposes of
12 subparagraph (C), the term ‘rules necessary to
13 effectuate the timely transition to digital tele-
14 vision’ includes rules requiring must-carry of
15 free, over-the-air signals of broadcast television
16 stations, minimum digital television network
17 programming and broadcasting requirements,
18 and rules requiring that models of television re-
19 ceiver equipment have the capability of dis-
20 playing digital television signals by certain
21 dates.”.

22 (b) ALLOCATION.—Section 115 of the National Tele-
23 communications and Information Administration Organi-
24 zation Act (47 U.S.C. 925) is amended by adding at the
25 end the following new subsection:



1 “(d) ALLOCATION OF SPECTRUM FOR ADVANCED
2 COMMERCIAL MOBILE SERVICES.—

3 “(1) IN GENERAL.—With respect to the fre-
4 quencies identified in section 113(j)(1)(A) and in
5 section 113(j)(1)(B), the Commission shall, within
6 60 days of the release of the report required by sec-
7 tion 113(j), commence a proceeding to allocate such
8 frequencies for advanced commercial mobile services
9 and adopt technical, licensing, and service rules ap-
10 plicable to such frequencies. Such frequencies shall
11 be assigned by competitive bidding pursuant to sec-
12 tion 309(j) of the 1934 Act on a schedule consistent
13 with the relocation plan established pursuant to sec-
14 tion 113(j)(1)(B) and the requirements of section
15 113(g)(1)(A).

16 “(2) SPECTRUM COMMONS.—With respect to
17 the frequencies designated for reallocation pursuant
18 to section 113(j)(1)(C), the Commission shall estab-
19 lish any rules necessary for unlicensed use of such
20 spectrum and make it available to the public by De-
21 cember 31, 2004.

22 “(3) PRESERVATION OF COMPETITION-BASED
23 SPECTRUM POLICY.—The frequencies identified in
24 paragraph (1) shall be assigned by the Commission
25 pursuant to section 309(j) of the 1934 Act. In con-



1 ducting such assignment, the Commission shall rees-
2 tablish limits on the amount of spectrum that a li-
3 censee may accumulate or utilize in individual mar-
4 kets in a manner that is sufficient to ensure, at a
5 minimum, the same number of unaffiliated licensees
6 that were competing in such markets as of October
7 1, 2001.

8 “(4) PRESERVATION OF ITFS.—Notwith-
9 standing any other provision of law, the Commission
10 shall not commence any proceeding to reallocate the
11 band of frequencies located at 2,500–2,690 mega-
12 hertz from instructional television fixed services to
13 any other service.”.

14 **SEC. 202. RELOCATION OF FEDERAL GOVERNMENT STA-**
15 **TIONS.**

16 (a) RELOCATION FROM SPECTRUM FOR ADVANCED
17 COMMERCIAL MOBILE SERVICES.—Section 113(g) of Na-
18 tional Telecommunications and Information Administra-
19 tion Organization Act (47 U.S.C. 923(g)) is amended by
20 adding at the end the following new paragraph:

21 “(4) SPECIAL PROVISIONS FOR RELOCATION
22 FROM SPECTRUM FOR ADVANCED COMMERCIAL MO-
23 BILE SERVICES.—

24 “(A) APPLICABILITY.—The provisions of
25 this paragraph shall apply in lieu of the provi-



sions of paragraphs (1) through (3) with respect to relocating the operations of Federal entities from the frequencies reallocated to advanced commercial mobile services under section 115(d).

“(B) AUTHORITY TO ACCEPT COMPENSATION.—In order to expedite the commercial use of the electromagnetic spectrum and notwithstanding section 3302(b) of title 31, United States Code, the head of any Federal entity may accept from the Spectrum Relocation Trust Fund compensation for the costs of relocating such entity’s operations from one or more frequencies to another frequency or frequencies. The costs for which the Federal entity shall be compensated shall be the relocation costs of the entity’s operations, except that the entity may be compensated for the replacement costs of relocating a particular station if the head of such entity can demonstrate to the President that such a level of compensation is vital to the national security or public safety.

“(C) REQUIREMENT TO COMPENSATE FEDERAL ENTITIES.—The Federal entity shall be compensated in advance for the costs that the



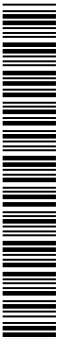
1 Federal entity incurs under subparagraph (B).
2 Such compensation may take the form of a cash
3 payment or in-kind compensation. Such com-
4 pensation shall come from the Spectrum Relo-
5 cation Trust Fund.

6 “(D) SPECTRUM RELOCATION TRUST
7 FUND.—

8 “(i) ESTABLISHMENT.—There is es-
9 tablished in the Treasury a Spectrum Relo-
10 cation Trust Fund (referred to in this sub-
11 paragraph as the ‘Fund’), consisting of
12 amounts deposited pursuant to section
13 309(j)(8)(D)(i) of the 1934 Act.

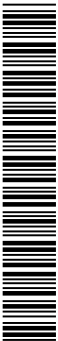
14 “(ii) EXPENDITURE OF AMOUNTS FOR
15 REIMBURSEMENT OF RELOCATED OPER-
16 ATIONS.—The Secretary of the Treasury
17 shall transfer from the Fund to each Fed-
18 eral entity the sums identified under sub-
19 paragraph (B) to pay the costs of reloca-
20 tion or modification of the entity’s stations
21 and the head of such entity shall use such
22 sums to make payments to satisfy such
23 costs.

24 “(iii) MAXIMUM DEPOSITS.—If the
25 NTIA determines that the proceeds of an



1 auction the proceeds of which are required
2 to be deposited in the Fund have exceeded
3 or will exceed a sum equal to (I) the re-
4 placement costs incurred in connection
5 with such auction, plus (II) 10 percent of
6 any auction proceeds above such amount,
7 the NTIA shall notify the Secretary of the
8 Treasury. Upon receipt of such notice, the
9 Secretary of the Treasury shall, notwith-
10 standing section 309(j)(8) of the Commu-
11 nications Act of 1934 (47 U.S.C.
12 309(j)(8)), transfer the remainder of the
13 proceeds of any such auction in excess of
14 such sum to the Digital Dividends Trust
15 Fund established by section 309A of the
16 1934 Act.

17 “(iv) TERMINATION.—When the
18 NTIA determines that no additional Fed-
19 eral Government stations need to be relo-
20 cated or modified, NTIA shall notify the
21 Secretary of the Treasury, who shall termi-
22 nate the Fund. Any unallocated funds re-
23 maining in the Fund shall be transferred
24 to the Fund specified in clause (iii).”.



1 **SEC. 203. DEFINITIONS.**

2 Section 111 of the National Telecommunications and
3 Information Administration Organization Act (47 U.S.C.
4 921) is amended by adding at the end the following new
5 paragraphs:

6 “(4) The term ‘relocation costs’ means the costs
7 that will be incurred by a Federal entity to achieve
8 comparable capability of systems that are relocated
9 to a new frequency assignment or band or otherwise
10 modified, including the costs of any modification, re-
11 placement, or reissuance of equipment and facilities
12 incurred by that entity.

13 “(5) The term ‘replacement costs’ means the
14 costs that would be incurred by a Federal entity to
15 replace existing equipment or facilities in order to
16 relocate to a new frequency assignment or band.”.

17 **TITLE III—DISTRIBUTION OF**
18 **PROCEEDS OF AUCTIONS FOR**
19 **ADVANCED COMMERCIAL MO-**
20 **BILE SERVICES**

21 **SEC. 301. DIVISION BETWEEN TRUST FUNDS.**

22 Section 309(j)(8) of the Communications Act of 1934
23 (47 U.S.C. 309(j)(8)) is amended—

24 (1) in subparagraph (A), by striking “subpara-
25 graph (B)” and inserting “subparagraphs (B) and
26 (D)”; and



1 (2) by adding at the end the following new sub-
2 paragraph:

3 “(D) PROCEEDS OF AUCTIONS FOR AD-
4 VANCED COMMERCIAL MOBILE SERVICES.—Not-
5 withstanding subparagraph (A), the proceeds of
6 any competitive bidding under this subsection
7 with respect to the spectrum allocated for ad-
8 vanced commercial mobile services pursuant to
9 section 115(d)(1) of the National Telecommuni-
10 cations and Information Administration Organi-
11 zation Act shall, after the deduction of salaries
12 and expenses required by subparagraph (B), be
13 allocated as follows:

14 “(i) the first \$5,000,000,000 shall be
15 deposited in the Relocated Federal Entities
16 Trust Fund established BY section
17 113(g)(4)(D) of such Act; and

18 “(ii) the remainder of the proceeds of
19 such competitive bidding shall be deposited
20 in the Digital Dividends Trust Fund estab-
21 lished by section 309A of this Act.”.

